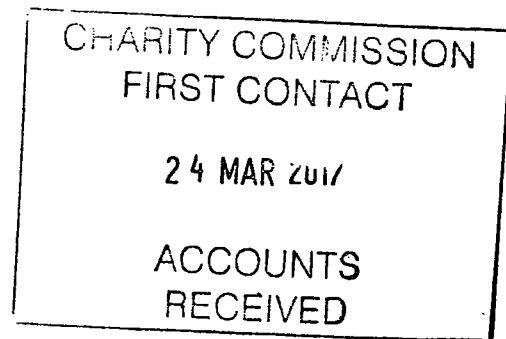


Charity Registration No. 252624

Company Registration No. 0900504 (England and Wales)

ALLANDALE CARE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016



ALLANDALE CARE GROUP LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|-----------------------------------|---|---|
| Board Of Trustees | Mrs P M Cleary Mr E Smethurst Mrs G E Colvin Mr A Morris Mr K Morris Prof. M Riley | (Appointed 25 May 2016) (Appointed 24 August 2016) (Appointed 27 July 2016) |
| Secretary | Mr P H R Crook | |
| Deputy secretary | Mrs P M Houghton | |
| Charity number | 252624 | |
| Company number | 0900504 | |
| Housing Corporation number | H0357 | |
| Registered office | The Croft 94 Irby Road Heswall Wirral CH61 6XG | |
| Auditor | Lonsdale & Marsh 7th Floor Cotton House Old Hall Street Liverpool L3 9TX | |
| Bankers | Lloyds TSB Bank Plc 137 Telegraph Road Heswall Wirral CH60 0AN | |
| Solicitors | Lees Solicitors 90/92 Telegraph Road Heswall Wirral CH60 0AQ | |

ALLANDALE CARE GROUP LIMITED

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ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2016

The Board of Trustees presents its report and financial statements for the year ended 30 September 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Society's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

Objectives and performance

The Charity provides housing for the elderly. In the year in question the Charity provided thirty four units of accommodation.

| Residential | Residential | Residential |
|---|-----------------------------|--------------------------------|
| Allandale 8 [7 Residential and 1 Sheltered]* | The Croft 10 Residential | Heathermount 16 Residential |

The occupation rate has been 89%.

Allandale

Allandale was fully refurbished in a programme completed in December 2005.

*Whilst the house was registered for residential use from October 2013, there remains one sheltered resident. Since the conversion to residential the house has proved to be greatly in demand. During the financial year under review, work commenced to convert the conservatory into a more useful lounge: the work was completed in December 2016.

The Croft

Two rooms were formed from the old office and a disused bathroom in 2012. A new kitchen and wet room have been installed. The provision of ensuite facilities has continued and as at January 2017 three rooms remain to be converted.

Heathermount

Heathermount had a complete exterior refurbishment during 2013. Room 1 has been converted to serve as the Registered Manager's office. During the year in question a new kitchen has also been installed.

General

There has been overall refurbishment of all houses with major decorating undertaken. The Charity now employs a full time Maintenance Operative.

Staff

We endeavour to attract good quality staff by remaining competitive on pay and conditions. We took the bold decision to anticipate payment of the Living Wage by introducing it in October 2015 thus paying it well before the required April 2016 date. We nonetheless struggle to fill vacancies despite expensive advertising. We appointed Mrs. Sherrel Sacker as General Care Manager in succession to Ms Kelly Rigby who resigned in April 2016. We also appointed Mr Tim France and Mr David Morrow to be Managers of Heathermount and Allandale/The Croft respectively. Both the latter have now been accepted by Care Quality Commission (CQC) as Registered Managers.

We have subscribed to numerous additional training events and continue to do so. Our responsibilities have greatly increased over the last few years and we shall need to assess very carefully how best we can match those responsibilities.

We owe our staff a considerable debt for their commitment and diligence.

ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2016

Volunteers

We owe an equal debt to our volunteers both at Executive Committee and house level (Friends of Heathermount and the Allandale Friends Committee).

We like to think we also have happy and well-cared for residents, which ultimately is what matters.

Financial review

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Board of Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Investment policy

The Charity has chosen to continue to minimise its financial risks by pursuing a prudent and conservative investment policy. Factors influencing the Charity include the continuing uncertainty of financial markets and the need to have ready access to funds, should the need to deploy them in pursuing initiatives arise. For these reasons funds are held in the bank and building societies. The Executive Committee continues to deal with risk assessment, policy, planning and strategy.

The Board of Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risks

The Charity has continued to review its assessment of risks. For completeness, risks have been classified as including: Governance and Management, Operational Risk, Financial Risk, Environmental/External Factors, Compliance Risk (Law and Regulation). All classifications have been, and continue to be addressed: significant activity has been undertaken towards the elimination, or at least, diminution of threats to the Charity.

The greatest risks are: financial, precautions against abuse and matching our responsibilities.

Financial risk is self-explanatory: our outgoings (which include the Living Wage increases, pension contributions and higher utility costs) are prodigious which means our charges must more than meet our running costs: this may make us uncompetitive.

Meeting our responsibilities is more complex: ten years ago we admitted residents who principally needed a little help – maybe dressing, washing, reminding of medication times. Now we are dealing with residents in an advanced state of frailty or suffering from dementia. This has crept up on us and we are now alert to the more demanding situation and have adjusted our staffing needs and training accordingly, including making appointments of highly qualified managers.

'Abuse', elsewhere in the industry, has created an atmosphere of suspicion and of ever more careful inspection which in turn leads to more onerous demands upon us. CQC has introduced a more intrusive regime of inspection as a reaction to scandals that have featured in the national press. The term 'abuse' has itself become so broadly interpreted and thus reportable, that our staff have become vulnerable. Virtually any allegation of abuse requires reporting variously to: CQC, Local authority Safeguarding Teams and the Police, together with suspension of staff pending the outcome of investigation. Insurance companies – those that have not abandoned the industry altogether – universally exclude any claims arising therefrom.

We need to acknowledge that we are now in a highly demanding field of activity that: Imposes unprecedented responsibilities on our Trustees; exposes our staff to greater risk and obliges us to maintain higher levels of supervision to reduce risk of abuse – of any magnitude – and makes it necessary for us to seek to recruit a higher quality of well trained and motivated staff.

We acknowledge these as significant challenges.

ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2016

Structure, governance and management

The Charity was incorporated on 10 March 1967 and is governed by its Memorandum and Articles of Association. The name of the Charity was changed on 14th October 2015 to Allandale Care Group Limited following termination of its membership of the Abbeyfield movement. The registered office, as from June 2005, remains The Croft, 94 Irby Road, Heswall, Wirral CH61 6XG.

The members of the Board of Trustees, who are also the directors for the purpose of company law, and who served during the year were:

| | |
|----------------|----------------------------|
| Mrs P M Cleary | |
| Mr E Smethurst | |
| Mrs K Beddow | (Resigned 26 May 2016) |
| Mrs G E Colvin | |
| Mr G Player | (Resigned 17 March 2016) |
| Mr A Morris | (Appointed 25 May 2016) |
| Mr K Morris | (Appointed 24 August 2016) |
| Prof. M Riley | (Appointed 27 July 2016) |

Members of the Executive Committee are appointed under the Charity's Articles of Association [49 – 56] and one third retires each year but is eligible for reappointment. Additional members may also be appointed. Moreover the Executive Committee may at any time appoint replacement or additional members who serve until the following Annual General Meeting and are eligible for election/re-election at that meeting.

Currently the Executive Committee comprises:

| |
|---|
| Mr E Smethurst: Chairman and Treasurer Mr A. Morris: Vice Chairman Mrs P Cleary: President Mrs G Colvin: Vice President |
| Professor M Riley Mr K Morris |
| The Directors retiring this year were: Mrs P Cleary and Mrs K Beddow both of whom were willing to be re-elected. Both were re-elected unanimously. Mr Eduardo da Vega resigned in December 2015 and Mrs K Beddow resigned in May 2016. |
| Members co-opted this year Professor M Riley and Mr K Morris |

The Society President is Mrs Pat Cleary (as from 20th January 2016) succeeding Mr Peter Howell Williams, who died on 29th December 2015. Mrs Gill Colvin, has been Vice-President since 20th January 2016.

Our Trustee Indemnity Insurance was provided by the National Abbeyfield Society: since leaving we have negotiated fresh cover through Capita.

ALLANDALE CARE GROUP LIMITED

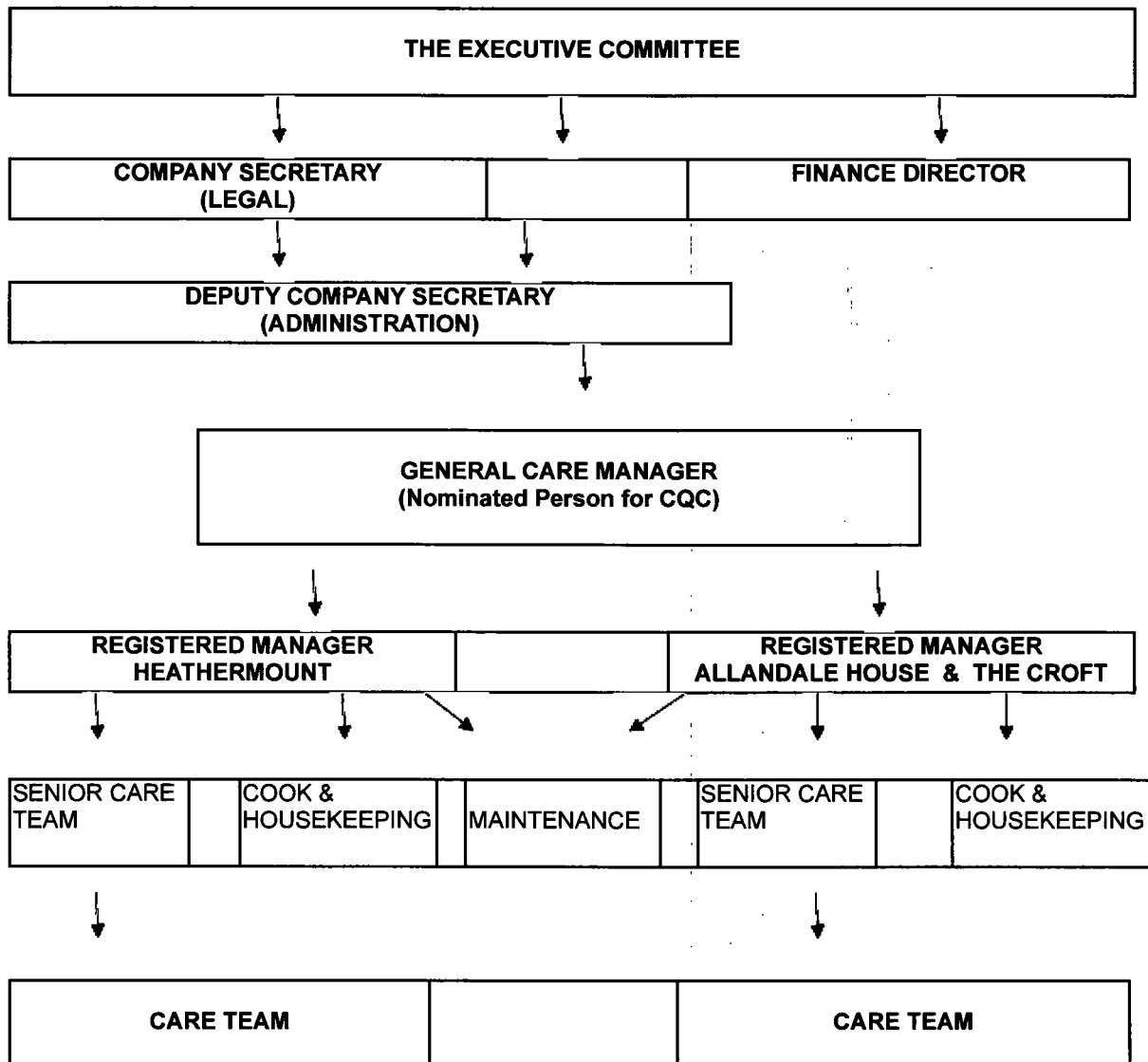
TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2016

The organisational structure is as follows:



Allandale
Care
Group

ALLANDALE CARE GROUP MANAGEMENT STRUCTURE 2017



ALLANDALE CARE GROUP LIMITED

TRUSTEE REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2016

Auditor

A resolution for the re-appointment of Lonsdale and Marsh as auditors of the Charity will be proposed at the Annual General Meeting.

Disclosure of information to auditor

Each of the Board of Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustee report was approved by the Board of Board Of Trustees.



Mr E Smethurst

Dated: 22 March 2017

ALLANDALE CARE GROUP LIMITED

STATEMENT OF TRUSTEE RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The Board of Trustees, who are also the directors of Allandale Care Group Limited for the purpose of company law, is responsible for preparing the Trustee Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Board of Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Board of Trustees is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the accounts comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ALLANDALE CARE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLANDALE CARE GROUP LIMITED

We have audited the financial statements of Allandale Care Group Limited for the year ended 30 September 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board of Trustees and auditor

As explained more fully in the statement of Trustee responsibilities, the Board of Trustees, who are also the directors of Allandale Care Group Limited for the purposes of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustee Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ALLANDALE CARE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLANDALE CARE GROUP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Elaine Frances McElroy (Senior Statutory Auditor)
for and on behalf of Lonsdale & Marsh

22 March 2017

Chartered Accountants
Statutory Auditor

7th Floor
Cotton House
Old Hall Street
Liverpool
L3 9TX

ALLANDALE CARE GROUP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2016

| | Notes | 2016 £ | 2015 £ |
|---|-------|------------------|------------------|
| Income from: | | | |
| Donations and legacies | 2 | 5,305 | 4,829 |
| Charitable activities | 3 | 917,462 | 853,156 |
| Investments | 4 | 1,263 | 1,289 |
| Total income | | 924,030 | 859,274 |
| Expenditure on: | | | |
| Charitable activities | 5 | 911,590 | 816,047 |
| Net income for the year/ Net movement in funds | | 12,440 | 43,227 |
| Fund balances at 1 October 2015 | | 1,725,837 | 1,682,610 |
| Fund balances at 30 September 2016 | | 1,738,277 | 1,725,837 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

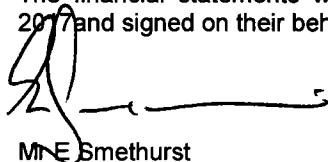
ALLANDALE CARE GROUP LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2016

| | Notes | 2016 | | 2015 | |
|--|-------|-----------|-----------|-----------|-----------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 1,787,789 | | 1,754,835 |
| Current assets | | | | | |
| Debtors | 12 | 27,629 | | 8,591 | |
| Cash at bank and in hand | | 214,263 | | 249,311 | |
| | | 241,892 | | 257,902 | |
| Creditors: amounts falling due within one year | 13 | (58,750) | | (50,689) | |
| Net current assets | | | 183,142 | | 207,213 |
| Total assets less current liabilities | | | 1,970,931 | | 1,962,048 |
| Creditors: amounts falling due after more than one year | | | (232,654) | | (236,211) |
| Net assets | | | 1,738,277 | | 1,725,837 |
| Income funds | | | | | |
| <u>Unrestricted funds</u> | | | | | |
| General unrestricted funds | | 1,219,530 | | 1,207,090 | |
| Revaluation reserve | | 518,747 | | 518,747 | |
| | | | 1,738,277 | | 1,725,837 |
| | | | 1,738,277 | | 1,725,837 |

The financial statements were approved by the Board Of Trustees and authorised for issue on 22 March 2017 and signed on their behalf by:



Mr E Smethurst
Trustee



Prof. M Riley
Trustee

Company Registration No. 0900504

ALLANDALE CARE GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|-----------|----------------|-----------|----------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 18 | | 3,370 | | 51,656 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (39,681) | | (7,869) | |
| Interest received | | 1,263 | | 1,289 | |
| Net cash used in investing activities | | | (38,418) | | (6,580) |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (35,048) | | 45,076 |
| Cash and cash equivalents at beginning of year | | | 249,311 | | 204,235 |
| Cash and cash equivalents at end of year | | | <u>214,263</u> | | <u>249,311</u> |

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

Charity information

Allandale Care Group Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Croft, 94 Irby Road, Heswall, Wirral, CH61 6XG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of Allandale Care Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 19.

1.2 Going concern

At the time of approving the financial statements, the Board of Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Board of Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Charitable activity costs relate to services provided centrally and identified as wholly or mainly in support of direct charitable expenditure, together with an appropriate proportion of management and office overheads.

Support costs are those functions that assist the work of the Charity but do not undertake charitable activities. Support costs include back office costs, finance, personnel and payroll. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|-------------|
| Freehold land and buildings | See below |
| Fixtures and fittings | 15% on cost |

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The Charity has previously revalued freehold care homes and they were stated at their revalued amount. The Charity has adopted the transition exemption under FRS102 paragraph 35.10(d) and elected to use the previous revaluation as deemed cost.

It is the Charity's policy and practice to maintain properties to a high standard through a continuing programme of refurbishment and maintenance. Consequently the lives of the properties and their residual values are such that any depreciation charge would be immaterial.

A full year's depreciation is charged on fixed assets in the year of purchase but no charge is made in the year of disposal.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Social housing grants

Some of the Charity's housing schemes are financed partly by Social Housing or other capital grants. Section 24 of FRS 102 'Government grants' permits either the performance model or the accrual model to recognise government grants. As required by the Housing SORP (FRS102), housing properties accounted at valuation must recognise government grants using the performance model and those accounted for at cost must recognise government grants using the accrual model.

2 Donations and legacies

| | 2016 | 2015 |
|---------------------|--------------|--------------|
| | £ | £ |
| Donations and gifts | 305 | 4,829 |
| Legacies receivable | 5,000 | - |
| | <u>5,305</u> | <u>4,829</u> |

3 Charitable activities

| | 2016 | 2015 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Sales within charitable activities | 913,905 | 849,599 |
| Deferred income - government grants | 3,557 | 3,557 |
| | <u>917,462</u> | <u>853,156</u> |

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

4 Investments

| | 2016 | 2015 |
|---------------------|-------|-------|
| | £ | £ |
| Interest receivable | 1,263 | 1,289 |

5 Charitable activities

| | 2016 | 2015 |
|-----------------------------|---------|---------|
| | £ | £ |
| Staff costs | 546,866 | 498,402 |
| Depreciation and impairment | 6,727 | 2,077 |
| Charitable expenditure | 250,816 | 237,806 |
| | 804,409 | 738,285 |

| | | |
|--|---------|--------|
| Share of support costs (see note 6) | 102,381 | 73,112 |
| Share of governance costs (see note 6) | 4,800 | 4,650 |

| | | |
|--|---------|---------|
| | 911,590 | 816,047 |
|--|---------|---------|

Analysis by fund

| | | |
|--------------------|---------|--|
| Unrestricted funds | 911,590 | |
| | 911,590 | |

For the year ended 30 September 2015

| | | |
|--------------------|--|---------|
| Unrestricted funds | | 816,047 |
| | | 816,047 |

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

6 Support costs

| | Support costs £ | Governance costs £ | 2016 £ | 2015 £ | Basis of allocation |
|---------------------------------|--------------------|-----------------------|----------------|---------------|---------------------|
| Staff costs | 47,226 | - | 47,226 | 35,202 | Time |
| Recruitment agency fees | 13,944 | - | 13,944 | - | Costs incurred |
| Legal & professional fees | 11,500 | - | 11,500 | 4,511 | Costs incurred |
| Health & safety consultancy | 8,068 | - | 8,068 | 5,800 | Costs incurred |
| Payroll and auto enrolment fees | 4,223 | - | 4,223 | 5,364 | Costs incurred |
| Consultancy fees | 17,420 | - | 17,420 | 22,235 | Costs incurred |
| Audit fees | - | 4,800 | 4,800 | 4,650 | Governance |
| | <u>102,381</u> | <u>4,800</u> | <u>107,181</u> | <u>77,762</u> | |
| Analysed between | | | | | |
| Charitable activities | <u>102,381</u> | <u>4,800</u> | <u>107,181</u> | <u>77,762</u> | |

7 Board Of Trustees

None of the Board of Trustees (or any persons connected with them) received any expenses from the Charity during the year. For details of remuneration see note 15.

8 Employees

Number of employees

The average monthly number employees during the year was:

| | 2016 Number | 2015 Number |
|--------------|----------------|----------------|
| Care staff | 42 | 38 |
| Office staff | 3 | 3 |
| | <u>45</u> | <u>41</u> |

Employment costs

| | 2016 £ | 2015 £ |
|---------------------|----------------|----------------|
| Wages and salaries | 593,270 | 532,187 |
| Other pension costs | 822 | 1,417 |
| | <u>594,092</u> | <u>533,604</u> |

There were no employees whose annual remuneration was £60,000 or more.

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

9 Taxation

The Company has charitable status and therefore is exempt from corporation tax on the income it has received. The Company is not registered for VAT. Accordingly no VAT is charged to residents, and expenditure in the income and expenditure account includes the relevant VAT.

10 Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Total £ |
|------------------------------------|-------------------------------------|-------------------------------|------------|
| Cost or valuation | | | |
| At 1 October 2015 | 1,746,119 | 171,827 | 1,917,946 |
| Additions | 2,180 | 37,501 | 39,681 |
| At 30 September 2016 | 1,748,299 | 209,328 | 1,957,627 |
| Depreciation and impairment | | | |
| At 1 October 2015 | - | 163,111 | 163,111 |
| Depreciation charged in the year | - | 6,727 | 6,727 |
| At 30 September 2016 | - | 169,838 | 169,838 |
| Carrying amount | | | |
| At 30 September 2016 | 1,748,299 | 39,490 | 1,787,789 |
| At 30 September 2015 | 1,746,119 | 8,716 | 1,754,835 |

At 30 September 2016, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,229,552 (2015 - £1,227,372).

The Charity has taken advantage of deemed cost transitional relief. See accounting policy note 1.12 and note 19 for further details.

11 Financial instruments

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debtors | 27,167 | 5,487 |
| Carrying amount of financial liabilities | | |
| Creditors | 45,961 | 39,008 |

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

12 Debtors

| | 2016 £ | 2015 £ |
|---|---------------|--------------|
| Amounts falling due within one year: | | |
| Trade debtors | 22,167 | 5,487 |
| Other debtors | 5,000 | - |
| Prepayments and accrued income | 462 | 3,104 |
| | <u>27,629</u> | <u>8,591</u> |

13 Creditors: amounts falling due within one year

| | Notes | 2016 £ | 2015 £ |
|------------------------------------|-------|---------------|---------------|
| Other taxation and social security | | 9,232 | 8,124 |
| Government grants | 14 | 3,557 | 3,557 |
| Trade creditors | | 34,863 | 22,495 |
| Other creditors | | 1,767 | 2,422 |
| Accruals and deferred income | | 9,331 | 14,091 |
| | | <u>58,750</u> | <u>50,689</u> |

14 Government grants

Deferred income is included in the financial statements as follows:

| | 2016 £ | 2015 £ |
|-------------------------|----------------|----------------|
| Current liabilities | 3,557 | 3,557 |
| Non-current liabilities | 232,654 | 236,211 |
| | <u>236,211</u> | <u>239,768</u> |

As stated in accounting policies the Charity has taken advantage of the deemed cost transitional relief - see note 19 for details.

15 Share capital

The company is limited by guarantee and has no share capital.

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

16 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2016 £ | 2015 £ |
|----------------------------|--------------|---------------|
| Within one year | 5,023 | - |
| Between two and five years | 818 | 11,172 |
| | <u>5,841</u> | <u>11,172</u> |

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors/trustees, is as follows.

| | 2016 £ | 2015 £ |
|------------------|---------------|---------------|
| Consultancy fees | <u>17,420</u> | <u>22,235</u> |

18 Cash generated from operations

| | 2016 £ | 2015 £ |
|--|--------------|---------------|
| Surplus for the year | 12,440 | 43,227 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | (1,263) | (1,289) |
| Depreciation and impairment of tangible fixed assets | 6,727 | 2,077 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (19,038) | 3,364 |
| Increase in creditors | 8,061 | 7,834 |
| (Decrease) in deferred income | (3,557) | (3,557) |
| Cash generated from operations | <u>3,370</u> | <u>51,656</u> |

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

19 Reconciliations on adoption of FRS 102

Reconciliation of fund balances

| | Notes | At 1 October 2014 | | | At 30 September 2015 | | |
|---------------------------------------|-------|--------------------------|------------------------------|--------------|--------------------------|------------------------------|--------------|
| | | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ |
| Fixed assets | | | | | | | |
| Tangible assets | 1 | 1,393,351 | 355,692 | 1,749,043 | 1,399,143 | 355,692 | 1,754,835 |
| Current assets | | | | | | | |
| Debtors | | 11,955 | - | 11,955 | 8,591 | - | 8,591 |
| Bank and cash | | 204,235 | - | 204,235 | 249,311 | - | 249,311 |
| | | 216,190 | - | 216,190 | 257,902 | - | 257,902 |
| Creditors due within one year | | | | | | | |
| Taxation | | - | - | - | 8,124 | - | 8,124 |
| Other creditors | | 39,298 | - | 39,298 | 39,008 | - | 39,008 |
| Deferred income | 1 | - | 3,557 | 3,557 | - | 3,557 | 3,557 |
| | | 39,298 | 3,557 | 42,855 | 47,132 | 3,557 | 50,689 |
| Net current assets | | 176,892 | (3,557) | 173,335 | 210,770 | (3,557) | 207,213 |
| Total assets less current liabilities | | 1,570,243 | 352,135 | 1,922,378 | 1,609,913 | 352,135 | 1,962,048 |
| Creditors due after one year | | | | | | | |
| Deferred income | 1 | - | 239,768 | 239,768 | - | 236,211 | 236,211 |
| Net assets | | 1,570,243 | 112,367 | 1,682,610 | 1,609,913 | 115,924 | 1,725,837 |
| Income funds | | | | | | | |
| Unrestricted funds | 1 | 1,570,243 | 112,367 | 1,682,610 | 1,609,913 | 115,924 | 1,725,837 |

ALLANDALE CARE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

19 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of net movements in funds

| | Notes | Period ended 30 September 2015 | | |
|------------------------------|-------|--------------------------------|------------------------------|------------------|
| | | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ |
| Income from: | | | | |
| Donations and legacies | | 4,829 | - | 4,829 |
| Charitable activities | 1 | 849,599 | 3,557 | 853,156 |
| Investments | | 1,289 | - | 1,289 |
| | | <u>855,717</u> | <u>3,557</u> | <u>859,274</u> |
| Operating profit | | | | |
| | | <u>855,717</u> | <u>3,557</u> | <u>859,274</u> |
| Expenditure on: | | | | |
| Charitable activities | | (816,047) | - | (816,047) |
| | | <u>(816,047)</u> | <u>-</u> | <u>(816,047)</u> |
| Net movement in funds | | <u>39,670</u> | <u>3,557</u> | <u>43,227</u> |

Notes to reconciliations on adoption of FRS 102

(1) Social housing/government grants

As stated in accounting policies the Charity has taken advantage of the deemed cost transitional relief - the Charity's properties are accounted for at cost. Consequently any grants received in connection with those properties must be accounted for using the accruals model as required by Housing SORP (FRS102). Grants must be recognised as income on a systematic basis over the expected useful life of the housing property structure. It has been determined that the useful expected life is 100 years.